

NORTHERN CANADA MINES, LIMITED

Annual Report

FOR THE YEAR ENDED SEPTEMBER 30, 1975

DIRECTORS

D. H. ALLAN Saint John, New Brunswick
A. G. KIRKLAND Saint John, New Brunswick
D. A. MACFARLANE Saint John, New Brunswick
DR. A. L. McALLISTER, Fredericton, New Brunswick
L. McC. RITCHIE Saint John, New Brunswick

OFFICERS

L. McC. RITCHIE *President*
A. G. KIRKLAND *Vice-President*
D. A. MACFARLANE *Secretary and Treasurer*
MRS. M. JONES *Ass't.-Secretary*



NORTHERN CANADA MINES, LIMITED

(Incorporated under the laws of Ontario on January 24, 1938)

Information Circular

1. **Annual Meeting and Revocability of Proxy:** This information circular is furnished in connection with the solicitation of proxies by or on behalf of the management of the Corporation for use at the annual meeting of the shareholders of the Corporation to be held at Toronto, Ontario on February 24, 1976 for the purposes set forth in the notice of meeting.

A shareholder executing a proxy has the right to revoke it at any time before it is exercised.

2. **Persons or Companies Making the Solicitation:** This solicitation is made by the management of the Corporation at the Corporation's expense. Proxies given to the management will be voted at the meeting in accordance with the specifications given by the shareholder in the proxy with respect to the matters to be acted upon. However, the proxy is conferring discretionary authority with respect to amendments or variations to matters identified in the notice of the meeting of other matters which may properly come before the meeting.
3. **Interest of Certain Persons and Companies in Matters to be Acted Upon:** There are no matters proposed to be acted upon other than to receive the financial statements of the Corporation for the year ended September 30, 1975 together with the report of the auditors thereon, to receive the report of the directors, to elect directors and to appoint auditors and authorize the directors to fix their remuneration.
4. **Voting Shares and Principal Holders Thereof:** At January 6, 1976, there were 1,560,000 common shares outstanding, each entitled to one vote. Only shareholders of the Company of record at the time of the meeting will be entitled to vote at the meeting. By authority of a resolution of the directors of the Corporation, instruments appointing proxies to be used at such meeting must be deposited with the Secretary of the Corporation or its transfer agent, The Guaranty Trust Company of Canada, 88 University Avenue, Toronto, Ontario, M5J 1T8, at least 48 hours preceding the time of the said meeting.

A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON TO ATTEND AND ACT FOR HIM ON HIS BEHALF AT THE MEETING OTHER THAN THE PERSONS DESIGNATED IN THE FORM OF PROXY AND MAY DO SO BY FILLING IN THE NAME OF THE APPOINTEE IN THE SPACE PROVIDED ON THE PROXY AND CAUSING IT TO BE FILED WITH THE CORPORATION OR ITS TRANSFER AGENT AT LEAST FORTY-EIGHT HOURS BEFORE THE MEETING.

On the basis of information available to the Corporation, the following are the names of shareholders who each owned more than 10% of the voting rights attached to all of the equity shares of the Corporation.

Name	Number of shares	Class of shares	Percentage of outstanding equity shares represented
Atlantic Coast Copper Corporation Limited	253,271	Common	16.2%
J. D. Irving Limited	210,000	Common	13.5%
K. C. Irving Limited	320,000	Common	20.5%

5. **Election of Directors:** There are presently five (5) directors of the Corporation. The shareholders at the annual meeting will be asked to elect five (5) directors.

The following are the names of the five persons for whom it is intended that votes will be cast for their election as directors pursuant to the proxy which is hereby solicited: D. H. Allan, A. G. Kirkland, D. A. Macfarlane, Dr. A. L. McAllister, L. McC Ritchie.

The term of office for each director is from the date of the meeting at which he is elected until the annual meeting next following or until his successor is elected or appointed. In the event that prior to the annual meeting, any vacancies occur in the slate of nominees submitted herewith, it is intended that discretionary authority shall be granted to vote the proxy for the election of any other person or persons as directors. The management is not presently aware that any of such nominees would be unwilling to serve as a director, if elected. L. McC Ritchie is the President of the Corporation, A. G. Kirkland is the Vice-President and D. A. Macfarlane is the Secretary and Treasurer of the Corporation at present.

INFORMATION CONCERNING NOMINEES AS DIRECTORS

Proposed nominee	Principal occupation	Director since	Number of shares owned
*D. H. Allan	President, Commercial Equipment Ltd.	1974	—
A. G. Kirkland	Mining Engineer and Vice President, Cons. Rambler Mines Ltd.	1972	—
*D. A. Macfarlane	Chartered Accountant and Treasurer, Cons. Rambler Mines Ltd.	1971	—
*Dr. A. L. McAllister	Professor of Geology, University of New Brunswick	1974	—
L. McC. Ritchie	Lawyer and President, Cons. Rambler Mines Ltd.	1971	1

* Members of the audit committee

6. **Remuneration of Management:** Direct remuneration paid to directors and senior officers during the last complete financial year amounted to \$400.
7. **Interest of Management and Others in Material Transactions:** None.
8. **Appointment of Auditors:** It is intended to vote the proxy to reappoint Messrs. Coopers & Lybrand, who were first appointed in 1971.
9. **Management Contracts:** None.
10. **Particulars of Matters to be Acted Upon:** Other than the matters referred to in the notice of meeting, the management of the Corporation knows of no matters to come before the meeting.

DIRECTORS' REPORT TO THE SHAREHOLDERS

We are pleased to report on the affairs of your Corporation for the year ended September 30, 1975. A copy of the audited financial statements are included herewith. These statements show net earnings for the year 1975 of \$304 compared with \$2,574 in 1974. The decrease in earnings is primarily a result of an increase in office and general expenses and higher exploration expenses.

All of the Corporation's mining properties have been maintained in good standing. A field trip was made to Western Ontario to examine two of the properties and to review local conditions as they apply to the development of the properties. While the conclusion reached was that immediate development was not appropriate, it was felt that there was considerable future potential.

With respect to the Corporation's iron property in the Savant Lake area of the Province of Ontario, the lease with the Hanna Mining Company has been reviewed and revised. Commencing October 1, 1975, for a period of three years, an advance royalty of \$13,500 per year will be paid by Hanna Mining Company if they wish to retain their interest in the property.

During the year the Corporation purchased an additional 2700 shares of Consolidated Rambler Mines Limited, bringing its total holding to 613,260 shares, having a cost of \$576,448. This represents 20.6% of the outstanding shares of Consolidated Rambler Mines Limited. The quarterly report of Consolidated Rambler for the nine months ended September 30, 1975 shows a net loss for the period of \$74,326 (2.5c per share) compared with the net profit of \$893,847 (30c per share) for the preceding year. The operating loss is a result of lower metal prices affecting the company's revenue in the year 1975. It is expected that the new Boundary shaft which will come into operation in 1976 will have a beneficial effect on the company's operating results.

All Directors of the Corporation are standing for re-election in the current year.

On behalf of the Board,

Saint John, N. B.

November 26, 1975

L. McC. RITCHIE,
President

NORTHERN CANADA MINES, LIMITED

BALANCE SHEET AS AT SEPTEMBER 30, 1975

ASSETS

	1975	1974
Current Assets	\$	\$
Cash	2,059	13,532
Accounts receivable	235	867
Short-term deposit	60,000	55,000
	<u>62,294</u>	<u>69,399</u>
Investments — (note 1) (quoted value 1975 — \$710,244; 1974 — \$1,473,670)	612,527	602,942
Mining Property (note 2)	50,796	50,796
Office Furniture and Equipment — at nominal value	1	1
Deferred Exploration Expenses Less Amortization (note 2)	159,472	161,648
	<u>885,090</u>	<u>884,786</u>

LIABILITIES

Current Liabilities		
Accounts payable	1,050	1,050

SHAREHOLDERS' EQUITY

Capital Stock		
Authorized — 3,000,000 shares of no par value		
Issued and fully paid — 1,560,000 shares	1,340,000	1,340,000
Deficit	455,960	456,264
	<u>884,040</u>	<u>883,736</u>
	<u>885,090</u>	<u>884,786</u>

SIGNED ON BEHALF OF THE BOARD

L. McC. RITCHIE, Director
D. A. MACFARLANE, Director

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of Northern Canada Mines, Limited as at September 30, 1975 and the statements of earnings and deficit and source and use of working capital for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at September 30, 1975 and the results of its operations and the source and use of its working capital for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

October 9, 1975

COOPERS & LYBRAND
Chartered Accountants

NORTHERN CANADA MINES, LIMITED

STATEMENT OF EARNINGS AND DEFICIT

For the Year Ended September 30, 1975

Income	1975 \$	1974 \$
Royalties received (net)	8,700	8,700
Less: Amount transferred to deferred expenses (note 2)	2,176	2,176
	6,524	6,524
Interest earned	4,649	4,571
Gain on sale of investments	—	138
	11,173	11,233
Expenses		
Legal and audit	800	825
Directors' fees	400	700
Office and general	8,394	6,625
Property taxes	260	426
Exploration expenses	1,015	83
	10,869	8,659
Net Earnings For The Year	304	2,574
Deficit — Beginning of Year	456,264	458,838
Deficit — End of Year	455,960	456,264
Earnings Per Share	.000	.002

NOTE: — The 1974 comparative figures have been reclassified to conform with 1975 presentation.

NORTHERN CANADA MINES, LIMITED

STATEMENT OF SOURCE AND USE OF WORKING CAPITAL

For the Year Ended September 30, 1975

	1975 \$	1974 \$
Source of Working Capital		
From earnings —		
Net earnings for the year	304	2,574
Portion of royalties received transferred to deferred expenses	2,176	2,176
	2,480	4,750
Use of Working Capital		
Purchase of investments	9,585	—
Increase (Decrease) in Working Capital	(7,105)	4,750
Working Capital — Beginning of Year	68,349	63,599
Working Capital — End of Year	<u>61,244</u>	<u>68,349</u>

NORTHERN CANADA MINES, LIMITED

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 1975

	Number of shares	Recorded value \$	Quoted value \$
1. Investments			
The company's investments consist of:			
Consolidated Rambler Mines Limited — at cost	613,260	576,448	705,249
First Orenada Mines Limited — at cost	83,250	36,062	4,995
Miscellaneous companies — at nominal value		17	—
		<u>612,527</u>	<u>710,244</u>

2. Mining Properties

- (a) The amount of \$50,796 shown on the balance sheet represents the cost of 160 acres located in Carnegie Township, Timmins Area. The company has also acquired from time to time other properties through staking and other methods. The cost of acquisition of these properties has been included in deferred exploration expenditure. At September 30, 1975 the company held the following additional properties:

Savant Lake —

31 mineral claims leased from the Province of Ontario in the Savant Lake Area of Western Ontario, subject to prospector's interest of 13%.

The company has leased the aforementioned mining claims to the Hanna Mining Company under a royalty agreement of which the first revision expired September 30, 1975. A second revision has been negotiated to continue until October 1, 1978, providing a royalty payment of \$13,500 per year. Up to September 30, 1975 the company has received (net of the interest as set forth above) \$220,039 on account of royalties, \$8,700 being received in the current year. The company has adopted a policy of transferring 25% of net royalties received to deferred exploration expenditures until all of the costs incurred on the Savant Lake claims have been recovered.

Jutten Township —

4 patented mineral claims in Jutten Township, Port Arthur Mining Division of the Province of Ontario.

The Labbe Group —

A 25% interest in three development licences located in the Township of Adstock and Thedford, Province of Quebec.

- (b) Should the company commence milling operations on the Carnegie Township property, an additional amount of \$150,000 plus 10% of net profits is payable to the vendor if stated minimum quantities are mined.
- (c) The amounts shown for mining properties and deferred exploration expenses represent costs to date less amounts written off and do not necessarily reflect present or future values.

3. SENIOR OFFICERS' REMUNERATION

During the year ended September 30, 1975, the direct aggregate remuneration paid by the company to the directors and senior officers of the company was \$400.

